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JUL 27 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
1993 Annual Access) CC Docket No. 93-193
Tariff Filings, et al.)

Direct Case of the
LUFKIN-CONROE TELEPHONE EXCHANGE, INC.

Lufkin-Conroe Telephone Exchange, Inc. (LCTX), by its attorneys, hereby files this Direct Case in response to the Federal Communications Commission's (FCC) June 23, 1993 decision regarding, among other things, the allocation of General Support Facility (GSF) costs. See In the Matter of 1993 Annual Access Tariff Filings, et. al., Memorandum Opinion and Order Suspending Rates and Designating Issues for Investigation, CC Docket No. 93-193, DA 93-762, released June 23, 1993 (Suspension Order). In the Suspension Order, the FCC suspended the June 17, 1993 GSF-related tariff filings¹ of all Local Exchange Carriers (LECs) for one day and instituted an accounting order. Suspension Order at p. 37. In addition, the Suspension Order, among other things, designated the following issue for investigation: "Have the LECs properly reallocated GSF costs in accordance with the GSF Order?" Id. at p. 36.

Attachment A hereto, contains Rule Section 61.38 cost support

¹The June 17 tariff filings were made in response to adoption of new rules concerning the allocation of GSF costs. See In the Matter of Amendment of the Part 69 Allocation of General Support Facility Costs, Report and Order, CC Docket No. 92-222, FCC 93-238, released May 19, 1993 (GSF Order).

materials submitted with the June 17 tariff filing. As shown in Attachment A, the rates proposed in LCTX's June 17 filing resulted from the proper allocation of GSF costs to all access service categories. Specifically, the new GSF allocation rules resulted in the allocation of more GSF costs to the carrier common line rate elements, costs that under previous rules were allocated to the traffic sensitive rate element.

Therefore, LCTX respectfully requests that the FCC terminate its investigation with respect to its June 17 tariff filing, and that the FCC find that LCTX's allocation of GSF costs were appropriate and resulted in just and reasonable rates in accordance with the Communications Act and the Commission's Rules.

Respectfully submitted,

LUFKIN-CONROE TELEPHONE
EXCHANGE, INC.

By:



Benjamin H. Dickens, Jr.
Gerard J. Duffy
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Its Attorneys

Blooston, Mordkofsky, Jackson
& Dickens
2120 L Street, NW
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Date: July 27, 1993

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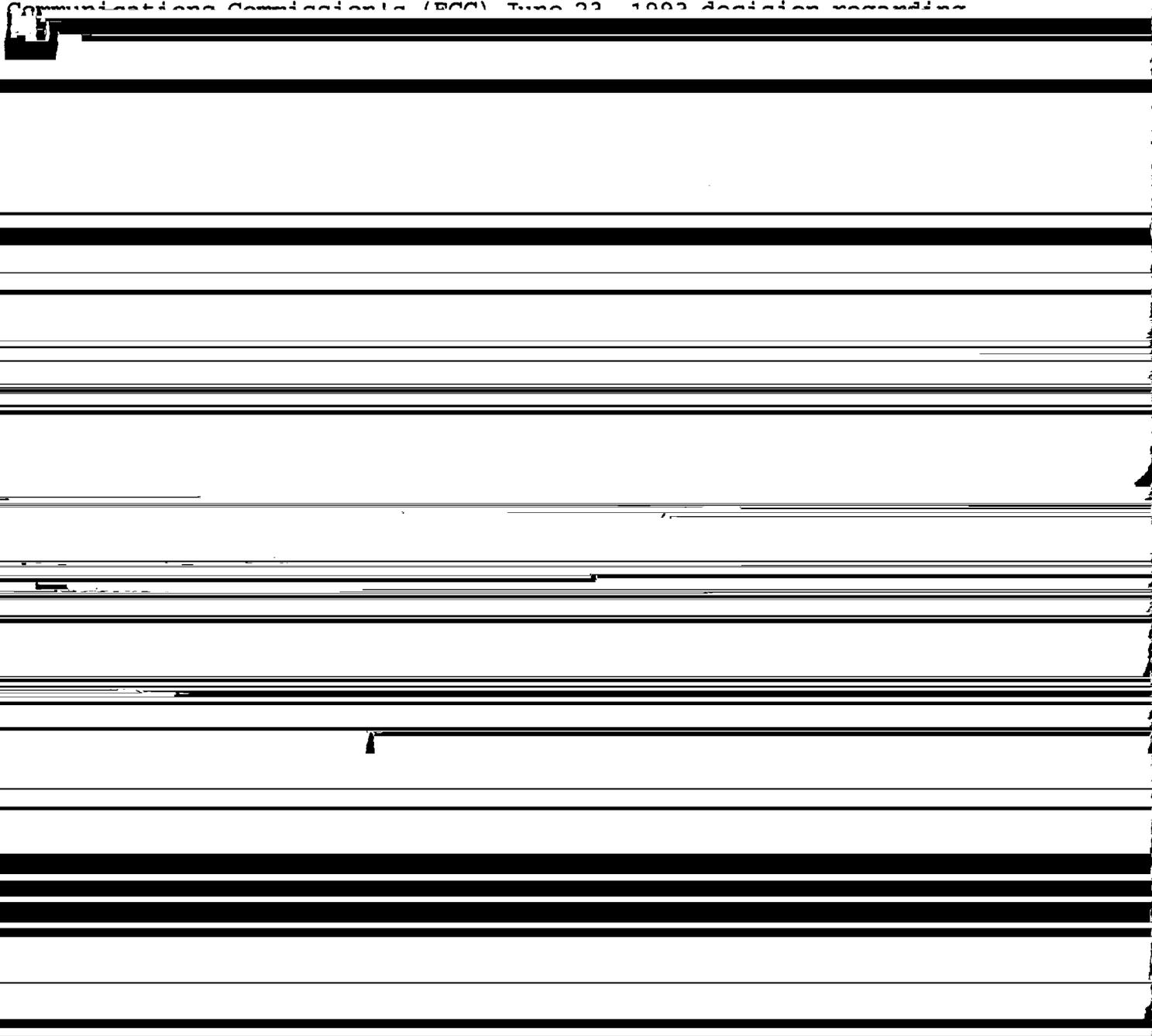
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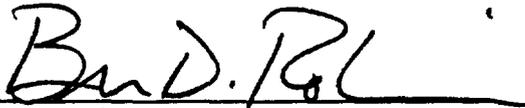


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LUFKIN-CONROE TELEPHONE EXCHANGE, INC.
SPECIAL ACCESS RATE DEVELOPMENT
HI CAP vs. 4W & DIGITAL DATA SERVICES
AT PROPOSED RATES

RATE ELEMENTS	(A) HI CAPACITY 1.544 MBPS	(B) VOICE GRADE 4W	(C) DIGITAL DATA SERVICES 1-3	(D) DIGITAL DATA SERVICE 4
2-CT	230.62	98.86	114.18	118.10
10-CMF	847.00	47.10	47.10	94.10
2-CMT	415.82	60.58	156.02	191.10
CONFIG. TOTAL	1493.44	206.54	317.30	403.30

CROSSOVERS

VG - 4W	TOTAL COL A / TOTAL COL B	7.23
DDS 1 - 3	TOTAL COL A / TOTAL COL C	4.71
DDS 4	TOTAL COL A / TOTAL COL D	3.70

HISTORICAL JURISDICTIONAL SEPARATIONS

246
 247 HISTORICAL SUMMARY 1/92 THRU 12/92
 248
 249 P A R T 3 6 P Y C O S S U M M A R Y
 250
 251
 252

253	C	INTERSTATE			TOTAL STATE M
		TOTAL E	MTS J	PVT LINE K	
254					
255					
256					
257					
260	General Support Facilities	28,840,761	5,395,281	882,296	22,563,185
261	COE Cat 1.6 Serv Observing Brds	0	0	0	0
262	COE Cat 1 All Other Boards	512,452	0	0	512,452
263	COE Cat 2	1,077,729	308,933	0	768,796
264	COE Cat 3	28,696,994	3,367,058	0	25,329,937
265	COE Cat 4.11	0	0	0	0
266	COE Cat 4.12	322,624	0	0	322,624
267	COE Cat 4.13	4,256,650	842,118	282,410	3,132,123
268	COE Cat 4.21	0	0	0	0
269	COE Cat 4.22	181,970	0	0	181,970
270	COE Cat 4.23	6,655,727	779,101	1,965,864	3,910,763
271	COE Cat 4.3	4,127,179	513,354	0	3,613,825
272	COE Mobile	387,068	0	0	387,068
273	TOTAL COE	46,218,790	5,810,563	2,248,273	38,159,555

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 247 HISTORICAL SUMMARY 1/92 THRU 12/92
 248
 249 P A R T 3 6 P Y C O S S U M M A R Y
 250
 251
 252
 253 INTERSTATE
 254 -----
 255 TOTAL MTS PVT LINE TOTAL
 256 C E J K M
 257 -----

	TOTAL E	MTS J	PVT LINE K	TOTAL STATE M
297 Corporate Operations Revenue	0	0	0	0
298 Miscellaneous Revenues	419,686	0	0	419,686
299 Uncollectible Revenues	287,353	0	0	287,353
300 Other Operating Income & Exp	0	0	0	0
301 Interest Charged Construction	0	0	0	0
302 Special (Misc) Charges	26,003	4,344	616	21,043
303 Fixed Charges	2,133,917	408,756	68,383	1,656,778
304 6110 Network Support Exp	355,767	66,543	10,881	278,343
305 6120 General Support Expenses	2,138,485	400,035	65,415	1,673,035
306 6210 COE Switching	1,267,069	159,190	61,629	1,046,250
307 6220 COE Operator Systems Exp	1,043	130	51	862
308 6230 COE Transmission Exp	685,511	86,016	33,279	566,216
309 6310 IOT Expense	83,493	20,929	0	62,564
310 6410 C & W F Expense	4,218,427	951,591	81,666	3,185,170
311 TOT FLT SPECIFIC OPR EXP	8,749,795	1,684,434	252,921	6,812,440
312 6510 Other Property Plt & Eq Exp	0	0	0	0
313 6530 Network Oper Expenses	4,822,688	902,029	147,498	3,773,161
314 6540 Access Expense	0	0	0	0
315 6560 Depr Gen Support Assets	1,895,917	354,658	57,999	1,483,260
316 6560 Depr COE Switching	2,119,981	261,782	0	1,858,199
317 6560 Depr COE Opr Systems	31,304	0	0	31,304
318 6560 Depr COE Transmissions	885,922	118,705	125,010	642,207
319 6560 Depr IOT	9,737	2,442	0	7,295
320 6560 Depr C & W F	3,399,226	766,754	65,783	2,566,689
321 6560 Depr Tangible Assets	20,098	3,759	614	15,725
322 6560 Depr Intangible Assets	0	0	0	0
323 6560 Equal Access Deprn	0	0	0	0
324 TOT FLT NONSPECIFIC OPR EXP	13,184,873	2,410,129	396,904	10,377,840
325 6610 Marketing	314,653	28,655	10,904	275,094
326 6620 Telephone Operator Service	973,561	0	0	973,561
327 6620 Public Directory Listing	1,184,327	44,391	0	1,139,936
328 6620 EUSO Local	567,639	0	0	567,639
329 6620 EUSO Presubscription	0	0	0	0
330 6620 EUSO Directory Advertising	744	0	0	744
331 6620 EUSO P L	31,220	0	0	31,220
332 6620 EUSO Other MTS & WATS Sr	254,783	122,931	0	131,852
333 6620 EUP&C P L	5,202	0	15	5,187

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247 HISTORICAL SUMMARY 1/92 THRU 12/92

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P A R T 3 6 P Y C O S S U M M A R Y

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	TOTAL E	INTERSTATE		TOTAL STATE M
		MTS J	PVT LINE K	
C				
334 6620 EUP&C MTS & WATS & Local	362,184	62,391	0	299,793
335 6620 EUP&C E U Access Charge	24,753	24,753	0	0
336 6620 EUBI P L	151	0	0	151
337 6620 EUBI MTS & WATS & Local	195,316	35,566	0	159,750
338 6620 EUBI E U Access Charge	604	604	0	0
339 6620 IXCSO Special Access	81,616	0	48,117	33,499
340 6620 IXCSO Switched Access	43,243	28,017	0	15,226
341 6620 IXCSO B & C Service	0	0	0	0
342 6620 IXCF&C Special Access	294	0	229	65
343 6620 IXCF&C Switched Access	1,327	600	0	727
344 6620 IXCF&C B & C Service	307	142	0	165
345 6620 IXCBI Special Access	319	0	265	54
346 6620 IXCBI Switched Access	369	317	0	52
347 6620 IXCBI B & C Service	0	0	0	0
348 6620 Coin Col & Adm	42,699	2,161	0	40,538
349 6620 Cust Serv Msg Processing	161,531	35,834	0	125,697
350 6620 Cust Serv Other Bill & Col	594,841	85,027	94	509,719
351 6620 Cust Serv IXC B&C	134,298	67,149	0	67,149
352 6620 All Other Cust Opr Exp	44,479	8,270	862	35,347
353 TOT CUSTOMER OPER EXP	5,020,460	546,808	60,486	4,413,165
354 6710 & 6720 Corp Oper EAS	0	0	0	0
355 6710 & 6720 Corp Oper All Other	5,280,875	874,100	126,218	4,280,557
356 Operating Taxes	2,609,660	466,912	76,410	2,066,338
357 Amortized Oper Invest Tx Cr	387,548	72,494	11,857	303,197
358 Equal Access Expenses	0	0	0	0
359 3100 Gen Support Assets	11,284,270	2,111,277	345,365	8,827,630
360 3100 COE Switching	13,011,918	1,607,223	0	11,404,696
361 3100 COE Operator Systems	214,782	0	0	214,782
362 3100 COE Transmission	4,814,873	645,467	679,700	3,489,706
363 3100 IOT Eqpt	590,062	147,907	0	442,157
364 3100 C & W F	19,547,077	4,409,241	378,345	14,759,492
365 3100 Equal Access Assets	780	491	0	289
366 3200 Accum Depn P H F F U	0	0	0	0
367 3400 Accum Amort Tangible	9,624	1,802	296	7,526
368 3500 Accum Amort Intangible	0	0	0	0
369 3600 Accum Amort Other	0	0	0	0
370 Deferred Operating Inc Taxes	13,686,688	2,558,580	388,148	10,739,961

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247 HISTORICAL SUMMARY 1/92 THRU 12/92
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249 PART 36 PYCOS SUMMARY
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251		INTERSTATE			TOTAL
252		TOTAL	MTS	PVT LINE	STATE
253		E	J	K	M
254		-----			
255					
256	C				
257		-----			
277	1500 Other Juris Assata	0	0	0	0

HISTORICAL ACCESS ALLOCATION

HISTORICAL SUMMARY 1/92 THRU 12/92

PART 69 FYCOS SUMMARY

AK	ALLOCATION REFERENCE	TOTAL AM	CAR COM LN		TRAFFIC SENSITIVE						BIL & COL		INTEREXCHANGE	
			CCL	LMT PAY	SWITCH	INFORM	COM TRNS	TANDEM	SUB TOT	SPEC	ACC BIL & COL	MSG	PL	
			1 AN	2 AO	3 AP	4 AQ	5 AR	6 AS	7 AT	8 AU	9 AV	10 AW	11 AX	
19	2310 Information Orig/Term Eqpt:	PT69-5A	155556											
20	Public Telephones	PT69-4*TOT	155556	155556	0	0	0	0	0	0	0	0	0	0
21	All Other	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
22														
23	TOTAL INFORMATION ORIG/TERM EQ	TOTAL	155556	155556	0	0	0	0	0	0	0	0	0	0
24														
25	2410 Cable & Wire Facilities:													
26	Subscriber Line C & W F Cat-1	69.304	16251359	15518827	0	0	0	0	0	0	732532	0	0	0
27	Carrier C & W F (Cat 2)	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
28	Carrier C & W F (Cat 3)	PT69-2*MTS,SA	1158258	0	0	0	0	447948	0	447948	593020	0	37804	79485
29	Carrier C & W F (Cat 4)	DIRECT ASSIGN	371993	0	0	0	0	371993	0	371993	0	0	0	0
30														
31	TOTAL C & WF	TOTAL	17781609	15518827	0	0	0	819941	0	819941	1325553	0	37804	79485
32														
33	2210, 2220, 2230 "COE":													
34	Category 1 Serv Obsv Brd	69.306(b)	0	0	0	0	0	0	0	0	0	0	0	0
35	Category 1 All Other	PT69-1B*TOT	0	0	0	0	0	0	0	0	0	0	0	0
36	Category 2	PT69-1A*TOT	308933	0	0	0	0	233935	74998	308933	0	0	0	0
37	Category 3	DIRECT ASSIGN	3367058	0	0	3367058	0	0	0	3367058	0	0	0	0
38	Category 4.11 (CW&F CAT 2)	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
39	Category 4.12 (CW&F CAT 2)	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
40	Category 4.13 (CW&F CAT 1)	SAME AS C&WF	1124528	842118	0	0	0	0	0	0	282410	0	0	0
41	Category 4.21 (CW&F CAT 3)	PT69-2*MTS,SA	0	0	0	0	0	0	0	0	0	0	0	0
42	Category 4.22 (CW&F CAT 2)	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
43	Category 4.23 (CW&F CAT 3)	PT69-2*MTS,SA	2744964	0	0	0	0	718570	0	718570	1733428	0	60531	232436
44	Category 4.3 (CW&F CAT 4)	DIRECT ASSIGN	513354	0	0	0	0	513354	0	513354	0	0	0	0
45														
46	TOTAL CENTRAL OFFICE EQPT	TOTAL	8058836	842118	0	3367058	0	1465858	74998	4907914	2015837	0	60531	232436
47														
48	TOT IOT, C&WF LESS 1.3, & COE	TOTAL	10477174	997674	0	3367058	0	2285799	74998	5727855	3341390	0	98335	311921
49	TOT IOT, CW&F AND COE	TOTAL	25996001	16516500	0	3367058	0	2285799	74998	5727855	3341390	0	98335	311921

HISTORICAL SUMMARY 1/92 THRU 12/92

51 52 53 54 55 56	PART 69 AK	ALLOCATION REFERENCE AL	TOTAL AM	CAR COM LN			TRAFFIC SENSITIVE					BIL & COL		INTEREXCHANGE	
				CCL 1 AN	LMT PAY 2 AO	SWITCH 3 AP	INFORM 4 AQ	COM 5 AR	TRNS 6 AS	TANDEM 7 AT	SUB TOT 8 AU	SPEC ACC 9 AV	BIL & COL 10 AW	MSG 11 AX	PL 11 AX
57	2110 General Support Facilities	69.307	6277576	597867	0	2017407	0	1369744	44716	3431866	2002058	0	58883	186903	
58	Equal Access Investment	DIRECT ASSIGN	17677	0	0	17677	0	0	0	17677	0	0	0	0	
59	TOT IOT, CW&F, COE, GEN SUP- PORT PAC & EQUAL ACCESS INV		32291253	17114367	0	5402141	0	3655543	119714	9177397	5343448	0	157218	498824	
64	2680 Tangible Assets Capt Leases	SEP ON 69.309	0	0	0	0	0	0	0	0	0	0	0	0	
65	2680 Tang Assets Leasehold Impr	SEP ON 69.309	8874	4703	0	1484	0	1005	33	2522	1469	0	0	0	
65	2690 Intangible Assets	SEP ON 69.309	0	0	0	0	0	0	0	0	0	0	43	137	
66	TOTAL 2001 TPIS	TOTAL	32300127	17119070	0	5403625	0	3656548	119746	9179919	5344917	0	157261	498961	
69	2002 Property Held For Future Use	SEP ON 2001	71802	38059	0	12007	0	8139	255	20401	11883	0	349	1110	
70	2003 Plant Under Const Sht Term	SEP ON 2001	12089	6374	0	2025	0	1392	30	3448	2018	0	60	190	
71	2004 Plant Under Const Long Term	SEP ON 2001	0	0	0	0	0	0	0	0	0	0	0	0	
72	2005 Telecommunications Plant Adj	SEP ON 2001	0	0	0	0	0	0	0	0	0	0	0	0	
73	1220 Material & Supplies	SEP ON 69.309	284656	150915	0	47598	0	32247	1019	80864	47097	0	1382	4399	
74	1402 RTB Stock	SEP ON 69.309	0	0	0	0	0	0	0	0	0	0	0	0	
75	1500 Other Jurisdictional Assets	EXCLUDED	0	0	0	0	0	0	0	0	0	0	0	0	
76	TOTAL INVESTMENT	TOTAL	32668674	17314418	0	5465256	0	3698325	121050	9284631	5405914	0	159052	504659	

HISTORICAL SUMMARY 1/92 THRU 12/92

79 80 81 82 83 84 85	PART 69 AK	ALLOCATION REFERENCE AL	TOTAL AM	CAR COM LN			TRAFFIC SENSITIVE					BIL & COL		INTEREXCHANGE	
				CCL 1 AN	LMT PAY 2 AO	SWITCH 3 AP	INFORM 4 AQ	COM TRNS 5 AR	TANDEM 6 AS	SUB TOT 7 AT	SPEC ACC 8 AU	BIL & COL 9 AV	MSG 10 AW	PL 11 AX	
86	ACCUMULATED DEPRECIATION 3100:														
87		SEP ON IOT	147907	147907	0	0	0	0	0	0	0	0	0	0	0
88		Cable & Wire Facilities SEP ON C&WF	4787586	4178058	0	0	0	220974	0	220974	356947	0	10210	21398	
89		Central Office Equipment SEPARATE ON	1607223	0	0	1472460	0	100884	33878	1607223	0	0	0	0	
90		Operator Systems RELATED COE	0	0	0	0	0	0	0	0	0	0	0	0	
91		Central Office - Transmission PLANT	1325167	254580	0	0	0	372532	0	372532	609486	0	18356	70214	
92		General Support Facilities SEP ON GSF	2456642	233833	0	789615	0	535502	18079	1343199	783402	0	23123	73086	
93		Equal Access Investment DIRECT ASSIGN	491	0	0	491	0	0	0	491	0	0	0	0	
94															
95		TOTAL ACCUMULATED DEPRN	TOTAL	10325015	4814377	0	2262566	0	1229895	51957	3544418	1749834	0	51688	164698
96															
97	DEF OPERATING FEDERAL INCOME TAX 4100/4340:														
98		Information Orig/Term Eqpt SEP ON IOT	14421	14421	0	0	0	0	0	0	0	0	0	0	
99		Cable & Wire Facilities SEP ON C&WF	1641101	1432267	0	0	0	75672	0	75672	122338	0	3487	7338	
100		Central Office Equipment SEPARATE ON	366510	0	0	335695	0	23434	7381	366510	0	0	0	0	
101		Operator Systems RELATED COE	0	0	0	0	0	0	0	0	0	0	0	0	
102		Central Office - Transmission PLANT	345049	66288	0	0	0	96992	0	96992	158704	0	4770	18296	
103		General Support Facilities SEP ON GSF	578826	55126	0	186000	0	126340	4085	316425	184610	0	5425	17240	
104		Equal Access Investment DIRECT ASSIGN	2	0	0	0	0	0	0	0	0	0	0	0	
105		Tangible Assets SEP 60.309	819	434	0	137	0	93	3	233	136	0	4	13	
106		Intangible Assets SEP 60.309	0	0	0	0	0	0	0	0	0	0	0	0	
107															
108		TOTAL DEFERRED FIT	TOTAL	2946726	1568535	0	521833	0	322530	11469	855831	465787	0	13686	42886
109															
110		Accumulated Deprn PFFU 3200 SEP ON 2002	0	0	0	0	0	0	0	0	0	0	0	0	
112		Accumulated Amort - Tangible 3400 SEP ON 2680	2098	1110	0	352	0	236	10	598	348	0	10	33	
113		Accumulated Amort - Intang 3500 SEP ON 2690	0	0	0	0	0	0	0	0	0	0	0	0	
114		Accumulated Amort - Other 3600 EXCLUDED	0	0	0	0	0	0	0	0	0	0	0	0	
115		Other Juris Liab & Defer Cr 4370 EXCLUDED	0	0	0	0	0	0	0	0	0	0	0	0	
116															
117		TOTAL NET INVESTMENT	TOTAL	19394835	10930397	0	2680505	0	2145664	57616	4883784	3189945	0	93668	297042

HISTORICAL SUMMARY 1/92 THRU 12/92

		CAR COM LN			TRAFFIC SENSITIVE						BIL & COL		INTEREXCHANGE	
		ALLOCATION	TOTAL	CCL	LMT PAY	SWITCH	INFORM	COM TRNS	TANDEM	SUB TOT	SPEC ACC	BIL & COL	MSG	PL
PART 69		REFERENCE	AM	1	2	3	4	5	6	7	8	9	10	11
AK		AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX
122														
123														
124														
125														
126														
127														
128														
129	DIRECT EXPENSES:													
130	Plant Specific - Acct 6110	SEP ON 69.309	77424	41041	0	12950	0	8771	278	21999	12812	0	376	1196
131	Plant Specific - Acct 6120	SEP ON GSF	465450	44310	0	149617	0	101524	3325	254466	148455	0	4380	13839
132	Plant Specific - Acct 6210	SEP ON COE	220819	23071	0	92238	0	40296	1932	134466	55253	0	1654	6375
133	Plant Specific - Acct 6220	SEP ON COE	181	19	0	79	0	33	0	112	45	0	0	5
134	Plant Specific - Acct 6230	SEP ON COE	119295	12501	0	49792	0	21866	977	72635	29821	0	880	3458
135	Plant Specific - Acct 6310	SEP ON IOT	20929	20929	0	0	0	0	0	0	0	0	0	0
136	Plant Specific - Acct 6410	SEP ON C&WF	1033257	901580	0	0	0	47788	0	47788	77055	0	2222	4612
137														
138	TOTAL PLANT SPECIFIC EXPENSES		1937355	1043451	0	304676	0	220278	6512	531466	323441	0	9512	29485
139														
140	Plant Nonspecific - Acct 6510	69.401 (d)	0	0	0	0	0	0	0	0	0	0	0	0
141	Plant Nonspecific - Acct 6530	69.401 (d)	1049527	666933	0	135857	0	92394	2892	231143	134890	0	3953	12608
142	Plant Nonspecific - Acct 6540	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
143														
144	TOT PLT NONSPECIFIC-EXCL DEPRN		1049527	666933	0	135857	0	92394	2892	231143	134890	0	3953	12608
145														
146	Plant Nonspecific - Acct 6560:													
147	I O T	SEP ON IOT	2442	2442	0	0	0	0	0	0	0	0	0	0
148	C & W F	SEP ON C&WF	832537	726596	0	0	0	38387	0	38387	62062	0	1770	3722
149	Central Office Switching	SEPARATE ON	261782	0	0	239797	0	16544	5441	261782	0	0	0	0
150	Operator Systems	RELATED COE	0	0	0	0	0	0	0	0	0	0	0	0
151	Central Office-Transmission	PLANT	243715	46835	0	0	0	68502	0	68502	112090	0	3368	12920
152	General Support Fac	SEP ON GSF	412657	39297	0	132615	0	90069	2905	225589	131616	0	3870	12285
153	Equal Access	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0
154	Tangible Assets	SEP ON 2680	4373	2317	0	730	0	496	16	1242	724	0	22	68
155	Intangible Assets	SEP ON 2690	0	0	0	0	0	0	0	0	0	0	0	0
156														
157	TOTAL DEPRECIATION ACCT 6560		1757506	817487	0	373142	0	213998	8362	595502	306492	0	9030	28995
158														
159	TOTAL DIRECT EXPENSES	TOTAL	4744388	2527871	0	813675	0	526670	17766	1358111	764823	0	22495	71088

HISTORICAL SUMMARY 1/92 THRU 12/92

	ALLOCATION REFERENCE	TOTAL	CAR COM LN		TRAFFIC SENSITIVE						BIL & COL		INTEREXCHANGE	
			CCL	LMT PAY	SWITCH	INFORM	COM TRNS	TANDEM	SUB TOT	SPEC ACC	BIL & COL	MSG	PL	
			1 AN	2 AO	3 AP	4 AQ	5 AR	6 AS	7 AT	8 AU	9 AV	10 AW	11 AX	
161														
162														
163														
164	PART 69													
165	AK													
166														
167	Operating Taxes	SEP ON 69.309	543322	287681	0	91028	0	61368	2241	154637	89945	0	2670	8389
168														
169	Marketing Expense	69.403 (a)	39559	20951	0	6615	0	4502	126	11243	6558	0	194	613
170	Telephone Serv Exp - Acct 6620	SEP ON SWS	0	0	0	0	0	0	0	0	0	0	0	0
171	Pub Directory Exp - Acct 6620	DIRECT ASSIGN	44391	0	0	0	44391	0	0	44391	0	0	0	0
172	Local Bus Ofc Exp - Acct 6620:													
173	EUSO Presubscription	69.406 (a)(1)	0	0	0	0	0	0	0	0	0	0	0	0
174	EUSO Other	69.406 (a)(4)	122931	0	0	0	0	0	0	0	0	122931	0	0
175	EUP&C E U Access Charge	69.406 (a)(4)	24753	24753	0	0	0	0	0	0	0	0	0	0
176	EUP&C All Other	69.406 (a)(4)	62406	0	0	0	0	0	0	0	0	62406	0	0
177	EUBI E U Access Charge	69.406 (a)(4)	604	604	0	0	0	0	0	0	0	0	0	0
178	EUBI All Other	69.406 (a)(4)	35566	0	0	0	0	0	0	0	0	35566	0	0
179	IXCSO Special Access	69.406 (a)(6)	48117	0	0	0	0	0	0	0	48117	0	0	0
180	IXCSO Switched Access	69.406 (a)(7)	28017	18235	0	5760	0	3888	134	9782	0	0	0	0
181	IXCSO B & C Service	69.406 (a)(8)	0	0	0	0	0	0	0	0	0	0	0	0
182	IXCP&C Special Access	69.406 (a)(6)	229	0	0	0	0	0	0	0	229	0	0	0
183	IXCP&C Switched Access	69.406 (a)(7)	600	391	0	124	0	82	3	209	0	0	0	0
184	IXCP&C B & C Service	69.406 (a)(8)	142	0	0	0	0	0	0	0	0	142	0	0
185	IXCBI Special Access	69.406 (a)(6)	265	0	0	0	0	0	0	0	265	0	0	0
186	IXCBI Switched Access	69.406 (a)(7)	317	206	0	65	0	44	2	111	0	0	0	0
187	IXCBI B & C Service	69.406 (a)(8)	0	0	0	0	0	0	0	0	0	0	0	0
188	Coin Col & Admn Exp	69.406 (a)(9)	2161	2161	0	0	0	0	0	0	0	0	0	0
189	Revenue Accounting - Acct 6620:													
190	Message Processing Exp	69.407 (c)	35834	0	0	0	0	0	0	0	0	35834	0	0
191	Other Bill & Coll	69.407 (a)(c)	85121	29742	0	0	0	0	0	0	0	55379	0	0
192	IXC Bill & Coll	69.407 (b)	67149	0	0	24932	0	16908	570	42410	24739	0	0	0
193														
194	SUB TOTAL MARKETING, OPERATOR,													
195	PUB DIR, LOC BUS OFC, & R A	TOT = 69.408	558603	76092	0	30881	44391	20922	709	96903	73350	312258	0	0
196														
197	All Other Cust Serv Exp	69.408 (a)	9132	1245	0	503	726	343	10	1582	1195	5110	0	0
198														
199	TOTAL CUSTOMER SERVICES EXP	TOTAL	607294	98288	0	37999	45117	25767	845	109728	81103	317368	194	613

HISTORICAL SUMMARY 1/92 THRU 12/92

188				CAR COM LN	TRAFFIC SENSITIVE							BIL & COL		INTEREXCHANGE	
189		ALLOCATION	TOTAL	CCL	LMT PAY	SWITCH	INFORM	COM	TRNS	TANDEM	SUB TOT	SPEC ACC	BIL & COL	MSG	PL
190		REFERENCE	AM	1	2	3	4	5	6	7	8	9	10	11	
191	PART 69	AL		AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	
192	AK														
193															
194															
195	Big "3" Expenses:														
196	Plant Specific 6110 thru 6410	SUMMARY	1937355	1043451	0	304676	0	220278	6512	531466	323441	0	9512	29485	
197	Plant Nonspec 6510 thru 6540	:	1049527	666933	0	135857	0	92394	2892	231143	134890	0	3953	12608	
198	Customer Serv 6610 and 6620	:	607294	98288	0	37999	45117	25767	845	109728	81103	317368	194	613	
199															
200	TOTAL BIG 3 EXPENSES	TOTAL	3594176	1808672	0	478532	45117	338439	10249	872337	539434	317368	13659	42706	
201															
202	Corporate Oper Expense:														
203	Accts 6710 and 6720	SEP ON BIG 3	1000318	503324	0	133260	12532	94454	2580	242826	150154	88324	3766	11924	
204															
205	Equal Access Expense	DIRECT ASSIGN	0	0	0	0	0	0	0	0	0	0	0	0	
206															
207	SUB TOTAL EXPENSES	TOTAL	6895322	3417164	0	1075962	57649	708259	23432	1865302	1086025	405692	29125	92014	
208															
209	Misc Revenues Acct 5200	SEP ON 69.309	0	0	0	0	0	0	0	0	0	0	0	0	
210															
211	Other Oper Inc & Exp Acct 7100	SEP ON 69.309	0	0	0	0	0	0	0	0	0	0	0	0	
212															
213	Special Misc Charges Acct 7370	SEP ON 69.309	4960	2626	0	836	0	544	37	1417	817	0	25	75	
214															
215	Uncollectible Revenues	PT69-8B	0	0	0	0	0	0	0	0	0	0	0	0	
216															
217	TOTAL EXPENSES	TOTAL	6900282	3419790	0	1076798	57649	708803	23469	1866719	1086842	405692	29150	92089	
218															
219	Amort Oper Invest Tx Cr	SEP ON 69.309	84351	44705	0	14110	0	9553	309	23972	13959	0	411	1304	
220															
221	7910 Inc Eff of Jur Ratemak Dif	EXCLUDED	0	0	0	0	0	0	0	0	0	0	0	0	
222															
223	Interest Charged Construction	SEP ON 69.309	0	0	0	0	0	0	0	0	0	0	0	0	
224															
225	Fixed Charges	SEP ON 69.309	477139	252930	0	79787	0	54069	1702	135558	78957	0	2317	7377	

HISTORICAL SUMMARY 1/92 THRU 12/92

240 241 242 243 244 245	PART 69 AK	ALLOCATION REFERENCE AL	TOTAL AM	CAR COM LN			TRAFFIC SENSITIVE					BIL & COL		INTERCHANGE	
				CCL	LMT PAY	SWITCH	INFORM	COM TRNS	TANDEM	SUB TOT	SPEC ACC	BIL & COL	MSG	PL	
				1 AN	2 AO	3 AP	4 AQ	5 AR	6 AS	7 AT	8 AU	9 AV	10 AW	11 AX	
246	Other FIT Adjustments		127956	67810	0	21404	0	14495	467	36366	21178	0	623	1979	
247															
248	Cash Working Capital		264976	134060	0	36263	2972	25502	778	65515	40219	20893	1038	3251	
249															
250	Investment Allow/Disallowance		0	0	0	0	0	0	0	0	0	0	0	0	
251															
252	Other Investment Allow/Disallow		1192710	631809	0	199699	0	134879	4649	339226	197423	0	5840	18412	
253															
254	Expenses Allow/Disallowance		9391	4654	0	1465	79	965	31	2542	1480	551	40	125	
255															
256	Less FIT Adj Allow/Disallowance		9391	4978	0	1570	0	1063	34	2668	1554	0	46	146	
257															
258	Customer Deposits		131322	69592	0	21972	0	14868	488	37328	21734	0	640	2029	
259															
260															
261															
262															
263															
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HISTORICAL SUMMARY 1/92 THRU 12/92

PART 69 TRANSFER REVENUE REQUIREMENT

	REFERENCE	TOTAL	CAR COM LN			TRAFFIC SENSITIVE						
			BC	BD	CCL BE	LMT PAY BF	SWITCH BG	INFORM BH	COM TRNSP BI	TANDEM BJ	SUB TOTAL BK	SPEC ACC BL
12												
13												
14												
15												
16												
17	INVESTMENT											
18												
19	Telecommunications Plant in Service	32300127	17119070	0	5403625	0	3656548	119746	9179919	5344917		
20	Property Held for Future Use	71802	38059	0	12007	0	8139	255	20401	11883		
21	Plant Under Construction Short Term	12089	6374	0	2025	0	1392	30	3448	2018		
22	Plant under Construction Long term	0	0	0	0	0	0	0	0	0		
23	Telephone Plant Acquisition Adjust	0	0	0	0	0	0	0	0	0		
24	Defer Charges Related to Eq Access											
25	RTB Stock	0	0	0	0	0	0	0	0	0		
26	Material and Supplies	284656	150915	0	47598	0	32247	1019	80864	47097		
27	Cash Working Capital	Note 1 264976	134060	0	36263	2972	25502	778	65515	40219		
28												
29	TOTAL NOWADJUSTED INVESTMENT	32933650	17448478	0	5501518	2972	3723828	121828	9350147	5446134		
30												
31	Investment Allow/Disallowance	Note 2 0	0	0	0	0	0	0	0	0		
32												
33	TOT ADJUSTED GROSS INVESTMENT	32933650	17448478	0	5501518	2972	3723828	121828	9350147	5446134		
34												
35	Less Accumulated Depreciation	10325015	4814377	0	2262566	0	1229895	51957	3544418	1749834		
36	Less Accumulated Deprn PHFFU	0	0	0	0	0	0	0	0	0		
37	Less Accumulated Amortization	2098	1110	0	352	0	236	10	598	348		
38	Less Deferred PIT	2946726	1568535	0	521833	0	322530	11469	855831	465787		
39	Customer Deposits	131322	69592	0	21972	0	14868	488	37328	21734		
40	Other Investment Allow/Disallow	Note 3 1192710	631809	0	199699	0	134879	4649	339226	197423		
41												
42	NET TELECOMMUNICATIONS PLANT	18335779	10363055	0	2495096	2972	2021420	53255	4572746	3011008		
43												
44	Interest Charged Construction	0	0	0	0	0	0	0	0	0		
45												
46	EXPENSES AND OTHER TAXES											
47	Plant Specific Operations Exp	1937355	1043451	0	304676	0	220278	6512	531466	323441		
48	Plant NonSpecific Operations Exp	1049527	666933	0	135857	0	92394	2892	231143	134890		
49	Depreciation	1757506	817487	0	373142	0	213998	8362	595502	306492		
50	Operating Taxes	543322	287681	0	91028	0	61368	2241	154637	89945		
51	Customer Services - Marketing	39559	20951	0	6615	0	4502	126	11243	6558		
52	Customer Services - Other Expenses	567735	77337	0	31384	45117	21265	719	98485	74545		
53	Corporate Operating Expense	1000318	503324	0	133260	12532	94454	2580	242826	150154		
54	Equal Access Expense	0	0	0	0	0	0	0	0	0		
55	Miscellaneous Revenues	0	0	0	0	0	0	0	0	0		
56	Other Oper Income & Expense	0	0	0	0	0	0	0	0	0		
57	Special (Misc) Charges	4960	2626	0	836	0	544	37	1417	817		
58												
59	TOTAL NOWADJUSTED EXPENSES	6900282	3419790	0	1076798	57649	708803	23469	1866719	1086842		
60	Uncollectible Revenues	0	0	0	0	0	0	0	0	0		
61												
62	TOTAL NOWADJUSTED EXPENSES W/UNCOLL	6900282	3419790	0	1076798	57649	708803	23469	1866719	1086842		

HISTORICAL SUMMARY 1/92 THRU 12/92

64 65 66 67 68 69 70	REVENUE REQUIREMENT BB	BC	CAR COM LN			TRAFFIC SENSITIVE					
			TOTAL BD	CCL BE	LMT PAY BF	SWITCH BG	INFORM BH	COM TRNSP BI	TANDEM BJ	SUB TOTAL BK	SPEC ACC BL
71	Expense Allow/Disallowance		9391	4654	0	1465	79	965	31	2542	1460
72											
73	TOTAL EXPENSES & OTHER TAXES		6909673	3424444	0	1078263	57728	709768	23500	1869261	1088322
74											
75	FIT ADJUSTMENTS										
76	Fixed Charges		477139	252930	0	79787	0	54069	1702	135558	78957
77	Other FIT Adjustments		127956	67810	0	21404	0	14495	467	36366	21178
78	Surtax Exemption		0	0	0	0	0	0	0	0	0
79	Investment Tax Credit Amortization		84351	44705	0	14110	0	9553	309	23972	13959
80	Less FIT Adj Allow/Disallowance		9391	4978	0	1570	0	1063	34	2668	1554
81											
82	TOTAL FIT ADJUSTMENTS		680055	360467	0	113731	0	77054	2444	193228	112540
83											
84	Return Base		18335779	10363055	0	2495096	2972	2021420	53255	4572746	3011008
85	Rate of Return			0.112500	0.112500	0.112500	0.112500	0.112500	0.112500	0.112500	0.112500
86	Return		2062774	1165844	0	280698	334	227410	5991	514434	338738
87	Return less Interest During Const	Note 4	2062774	1165844	0	280698	334	227410	5991	514434	338738
88	Less FIT Adjustments		680055	360467	0	113731	0	77054	2444	193228	112540
89											
90	Total FIT Base		1382719	805377	0	166967	334	150356	3547	321206	226198
91	FIT Gross Up Allocator		0.515152	0.515152	0.515152	0.515152	0.515152	0.515152		0.515152	0.515152
92	Gross FIT		712310	414892	0	86013	172	77456	0	165470	116526
93	Less Investment Tax Credit		84351	44705	0	14110	0	9553	309	23972	13959
94	Less Surtax Exemption		0	0	0	0	0	0	0	0	0
95											
96	Net FIT		627959	370187	0	71903	172	67903	-309	141498	102567
97	Return + FIT		2690733	1536031	0	352601	506	295313	5682	655932	441305
99	Expenses and Other Taxes		6909673	3424444	0	1078263	57728	709768	23500	1869261	1088322
100											
101	TOTAL REVENUE REQUIREMENT		9600406	4960475	0	1430864	58234	1005081	29182	2525193	1529627

103

104 NOTE 1 Cash Working Capital is computed per NECA procedures.

105 NOTE 2 Investments disallowed are accounts 2004, 2005 and the portion of Material & Supplies which are associated with account 2004.

106 NOTE 3 Also Deferred charges relating to excess pension fund payment (4310).

107 NOTE 4 "Interest During Construction" would normally be deducted from the return to calculate the FIT Base, however, the asset account

108 "Plant Under Construction-Long Term" has been deducted from the rate base and therefore the credit acct "Interest During

109 Construction" should not be deducted.



LUFKIN-CONROE TELEPHONE EXCHANGE, INC.

Interstate Access Services
Tariff FCC No. 2

Description & Justification
ANNUAL 1993 ACCESS CHARGE TARIFF FILING

JUNE 17, 1993